



ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE (501) 371-2605
<http://www.state.ar.us/insurance>

2003 P&C INSTRUCTIONS
ACCOUNTING DIVISION

PREMIUM TAX FILING INSTRUCTIONS PROPERTY & CASUALTY INSURERS

DUE DATE: MARCH 1, 2004

FILING REQUIREMENTS: **IN ONE PACKET ENCLOSE**

- ☐ 2003 FORM AID AC PC-T (ANNUAL REPORT OF PREMIUMS, TAXES AND FEES); SUPPORTING DOCUMENTATION AND CHECK ATTACHED
- ☐ 1 COPY OF 2003 ARKANSAS STATE BUSINESS PAGE
- ☐ 1 COPY OF SCHEDULE T
- ☐ 2003 FORM AID AC SCHEDULE WC (WORKERS' COMPENSATION COMMISSION ADDITIONAL TAXES) WITH CHECK ATTACHED
- ☐ 2003 FORM AID AC FPRF (ANNUAL REPORT OF PREMIUMS AND TAXES FOR THE FIRE PROTECTION PREMIUM TAX FUND WITH CHECK ATTACHED.

MAILING ADDRESS FOR PREMIUM TAX FILINGS AND PAYMENTS:

ARKANSAS INSURANCE DEPT.
ACCOUNTING DIVISION
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904

SEPARATE FILINGS AND CHECKS ARE REQUIRED FOR EACH INSURER. CHECKS MUST BE MADE PAYABLE AS NOTED ON EACH FORM.

DO NOT MAIL PREMIUM TAX FORMS AND CHECKS WITH THE ANNUAL STATEMENT OR ANY OTHER CORRESPONDENCE.

FOR QUESTIONS CONCERNING THE COMPLETION OF THE TAX FORMS CONTACT:

ACCOUNTING DIVISION
(501) 371-2605
Email: Insurance.Accounting@mail.state.ar.us

PENALTIES: ALL TAX FORMS ARE SUBJECT TO PENALTY IN ACCORDANCE WITH ACA 26-57-607. THE ARKANSAS INSURANCE DEPARTMENT DOES NOT ACCEPT THE POSTMARK DATE FOR FILING REQUIREMENTS. ALL TAX FORMS MUST BE RECEIVED IN OUR DEPARTMENT ON OR BEFORE MARCH 1, 2004. NO AUTHORITY EXISTS FOR GRANTING ANY EXTENSION OF TIME FOR FILING OR PAYMENT.

CONSUMER INFORMATION ASSESSMENT FEE: ACA 23-63-108 HAS BEEN REPEALED. THE DEPARTMENT NO LONGER COLLECTS THIS FEE.

CORPORATE FRANCHISE TAX: **DO NOT INCLUDE THE FRANCHISE TAX FORM AND PAYMENTS IN YOUR PREMIUM TAX FILINGS.** REMIT THEM AT THE APPROPRIATE TIME TO THE OFFICE OF THE SECRETARY OF STATE, ATTENTION: CHARLOTTE MARTIN, AGEON BLDG., SUITE 310, 501 WOODLANE, LITTLE ROCK, AR 72201. DIRECT INQUIRIES TO THE SECRETARY OF STATE (501) 682-3409.

MANDATORY P&C GUARANTY FUND INFORMATION SHEET APCGF 1(1/04): **DO NOT INCLUDE THIS FORM WITH YOUR PREMIUM TAX FILINGS.** THIS FORM CAN BE DOWNLOADED AT www.state.ar.us/insurance. CLICK ON DIVISIONS, LIQUIDATION. IF YOU HAVE ANY QUESTIONS, DIRECT INQUIRES TO (501) 371-2776. MAIL TO THE ADDRESS ON THE FORM.

MANDATORY PROPERTY REPORTING FORM ARRUA: **DO NOT INCLUDE THIS FORM WITH YOUR PREMIUM TAX FILINGS.** THIS FORM CAN BE DOWNLOADED AT www.state.ar.us/insurance. CLICK ON DIVISIONS, PROPERTY & CASUALTY. IF YOU HAVE ANY QUESTIONS, DIRECT INQUIRIES TO (501) 371-2800.

2003 MANDATORY ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL **DO NOT INCLUDE THIS FORM WITH YOUR PREMIUM TAX FILINGS.** THIS FORM CAN BE DOWNLOADED AT www.state.ar.us/insurance. SCROLL DOWN AND CLICK ON ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL. IF YOU HAVE ANY QUESTIONS, DIRECT INQUIRES TO (501) 370-2659. MAIL TO THE ADDRESS ON THE FORM.

INSTRUCTIONS FOR AID AC PC-T (Annual Report Of Premiums, Taxes, And Fees)**SECTION C: STATE OF DOMICILE TAXES/FEES/CREDITS**

All entries in this section must be itemized with supporting documentation and computations, if applicable. Forms from the State of Domicile may be used for the computations. Documentation such as “other fees” or “other credits” is not acceptable.

SECTION E: Information regarding the Arkansas credits**Arkansas Property and Casualty Guaranty Fund Assessment Credit § 23-90-119**

The Property & Casualty Guaranty Fund Association will issue a notice of the available credit. Questions regarding the credit should be directed to the PCGF office (501) 371-2776.

Arkansas Life and Health Guaranty Fund Assessment Credit § 23-96-115

The Life and Health Guaranty Fund Association will issue a notice of the available credit. Questions regarding the credit should be directed to the LHGF office at (501) 371-2776.

Arkansas Comprehensive Health Insurance Pool § 23-79-507

The CHIP administrator will issue a notice of the available credit. Questions regarding the credit should be directed to the CHIP office at (501) 370-2659.

Affordable Neighborhood Housing Tax Credit §§ 15-5-1303 to 15-5-1304

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority.

Low-Income Housing Tax Credit § 26-51-1702

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement.

County or Regional Industrial Development Corporation on Limited Liability Company § 15-4-1224

Insurers may take a premium tax credit for investments in a county or regional industrial development firm. The credit is equal to 33.33% of the actual purchase price of stock or units of interest and fees paid (with limitations). The maximum credit in one tax year is 50% of the net premium tax liability. Excess may be carried forward for three years.

Capital Development Corporation Tax Credit §§ 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third ($33\frac{1}{3}$) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019.

Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

SECTION K. COMPANY FINANCIAL REGULATION FEE

Each licensed insurer pays a fee based on the direct premiums and co-payments written in Arkansas during the preceding year. The form AID AC CFRF and fee are due on or before June 30 of each year. The minimum fee is \$500.00 if no business was written in the preceding year. The maximum fee is \$25,000.00. **DO NOT LEAVE THIS LINE BLANK OR ENTER ZERO.** This fee is necessary to determine the aggregate liability of taxes and fees (Section L). The **only** exception is a company admitted to the State of Arkansas during the 2003 calendar year, a fee was not due June 30, 2003.

SECTION M, SUBSECTION 1, line 33:**LIFE AND/OR HEALTH INSURERS AND HEALTH MAINTENANCE ORGANIZATION SALARY OFFSET**

§ 26-57-604

Companies licensed to write accident and health insurance may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on accident and health premiums. The offset may not reduce tax due on accident and health premiums by more than 80%. The criteria for the credit are in Schedule IC-PT, (page 4 of AID AC PC-T (annual report of premiums, taxes, and fees).

REFUNDS:

If a refund is due for either AID AC PC-T (annual report of premiums, taxes, and fees) or AID AC FPRF (Fire Protection Premium Tax Fund), check the line on page 1, in the upper right hand corner of the appropriate form.



ARKANSAS INSURANCE DEPARTMENT

2003 FORM AID AC PC-T

1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE: (501) 371-2605
WWW.STATE.AR.US/INSURANCE

ACCOUNTING DIVISION
DUE MARCH 1, 2004

___ ORIGINAL FILING

___ AMENDED FILING

___ REFUND DUE

**ANNUAL REPORT OF PREMIUMS, TAXES AND FEES OF ALL
PROPERTY & CASUALTY INSURANCE COMPANIES**

NAIC COMPANY CODE (5 digit code)		STATE OF DOMICILE
COMPANY NAME		
MAILING ADDRESS		
CONTACT PERSON		
TELEPHONE NUMBER	EXT	FAX NUMBER
EMAIL ADDRESS		

Column 1
Arkansas Tax

Column 2
State of Domicile Tax
on Arkansas Insurer
Tax Rate_____

COMPUTATION OF PREMIUM TAX:

A. ACCIDENT AND HEALTH:

2003 ANNUAL STATEMENT, PAGE 26, COLUMN 1, LINES 13-15.6

1. DIRECT WRITTEN PREMIUMS
2. TAX THEREON 2 1/2%

\$ _____
\$ _____

\$ _____
\$ _____

B. ALL OTHER CLASSES:

2003 ANNUAL STATEMENT PAGE 26, COLUMN 1, LINES 1-12
(EXCLUDING 2.3), LINES 16-28, AND 33 EXCLUDING FEDERAL
CROP HAIL AND WET MARINE FOREIGN TRADE

3. DIRECT WRITTEN PREMIUMS
4. FINANCE AND SERVICE CHARGES
MUST AGREE WITH PAGE 26 LINE (a) & SCHEDULE T,
COLUMN 8, LINE 4
5. POLICY MEMBERSHIP AND OTHER FEES
6. SUBTOTAL (lines 3 thru 5)
7. DIVIDENDS PAID OR CREDITED TO POLICYHOLDERS ON
DIRECT BUSINESS. PAGE 26, COLUMN 3, LINE 34
8. NET TAXABLE PREMIUMS: (line 6 - 7)
9. TAX THEREON 2 1/2%

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

ATTACH A DETAILED SCHEDULE IF MORE THAN ONE RATE APPLIES FOR STATE OF DOMICILE

C. STATE OF DOMICILE: SEE INSTRUCTIONS

10. ADDITIONAL TAXES AND FEES
11. AVAILABLE CREDITS

XXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXX

\$ _____
\$(_____)

Column 1

Column 2

D. WET MARINE AND FOREIGN TRADE:

12. NET PREMIUM WRITTEN DURING CALENDAR YEAR 2003
 13. DEDUCT NET LOSSES PAID (GROSS LOSSES PAID LESS
 SALVAGE & RECOVERIES ON REINSURANCE CEDED)
 14. GROSS UNDERWRITING PROFIT (line 12-13)
 15. TAX THEREON 3/4 OF 1%

\$ _____ \$ _____
 \$(_____) \$(_____)
 \$ _____ \$ _____
 \$ _____ \$ _____

E. CREDITS:

16. AR P&C GUARANTY FUND ASSESSMENT CREDIT
 17. AR LIFE & HEALTH GUARANTY FUND ASSESSMENT CREDIT
 18. AR COMPREHENSIVE HEALTH INS POOL (CHIP) CREDIT
 19. AFFORDABLE NEIGHBORHOOD HOUSING CREDIT
 20. LOW-INCOME HOUSING TAX CREDIT
 21. COUNTY & REGIONAL INDUSTRIAL DEVELOPMENT
 CORPORATION CREDIT
 22. SUBTOTAL OF CREDITS (16 THRU 21)

\$(_____) \$(_____)
 \$(_____) \$(_____)
 \$(_____) \$(_____)
 \$(_____) \$(_____)
 \$(_____) \$(_____)
 \$(_____) \$(_____)
 \$(_____) \$(_____)

F. TOTAL OF ALL PREMIUM TAX DUE:

23. LINES A(2) + B(9) + C(10) - C(11) + D(15) - E(22)
 24. CAPITAL DEVELOPMENT CORPORATION TAX CREDIT
 25. NET PREMIUM TAX (line 23-24)
AMOUNT CANNOT BE LESS THAN ZERO

\$ _____ \$ _____
 \$(_____) \$(_____)
 \$ _____ \$ _____

G. FEES:

26. FILING ANNUAL STATEMENT
 27. CERTIFICATE OF AUTHORITY RENEWAL
FOR RETALITORY FEES OTHER THAN ABOVE, LIST IN SECTION C
 28. TOTAL FEES (26 + 27)

\$ 50.00 \$ _____
 \$ 100.00 \$ _____
 \$ 150.00 \$ _____

H. PREMIUM TAXES AND FEES DUE:

29. ADD LINES F(25) AND G(28)

\$ _____ \$ _____

I. 2003 FORM AID AC SCHEDULE WC:

30. ENTER AMOUNT FROM LINE 5, (FORM AID AC SCHEDULE WC)
 NOTE: PAYMENT MUST BE PAID BY SEPARATE CHECK AS
 NOTED ON FORM

\$ _____ SEE SECTION D

J. 2003 FORM AID AC FPRF:

31. ENTER AMOUNT FROM LINE 4, (FORM AID AC FPRF)
 NOTE: NET PAYMENT (LINE 6) MUST BE PAID BY SEPARATE
 CHECK AS NOTED ON FORM

\$ _____ SEE SECTION D

K. COMPANY FINANCIAL REGULATION FEE:

32. ENTER FEE PAID 6/30/03 FROM 2003 FORM AID AC CFRF
SEE INSTRUCTIONS PAGE 2-AMOUNT CANNOT BE ZERO

\$ _____ \$ _____

L. AGGREGATE LIABILITY OF TAXES AND FEES:

33. FOR CALENDAR YEAR 2003 WITHOUT DEDUCTION OF
 PREPAYMENTS—(ADD LINES H(29) + I(30) + J(31) + K(32)

\$ _____ \$ _____

M. DEPENDING ON YOUR ANSWER BELOW, COMPLETE EITHER SUBSECTION 1 OR 2 ONLY

IF THE AMOUNT IN SECTION L COLUMN 1, LINE 33 IS GREATER THAN THE AMOUNT IN SECTION L COLUMN 2, LINE 33, THEN COMPLETE SUBSECTION 1 LINES 34 - 40 BELOW ONLY. (NOT 41 - 45)

SUBSECTION 1.

34. PREMIUM TAX FROM COLUMN 1, LINE 25 \$_____
35. PREMIUM TAX CREDIT FOR ARKANSAS SALARIES \$(_____)
- NOTE: MAXIMUM OF 80% OF COLUMN 1, LINE 2 ONLY
REFER TO SCHEDULE IC-PT
36. TOTAL OF ALL PREMIUM TAXES DUE (lines 34 - 35) \$_____
37. FEES FROM COLUMN 1, LINE 28 \$_____
38. SUBTOTAL OF PREMIUM TAX AND FEES DUE (LINES 36 + 37) \$_____
39. LESS 2003 QUARTERLY PREPAYMENTS \$(_____)
- 2003 FORM AID AC EST-Q (record below)
40. **NET PAYMENT DUE** (lines 38-39) \$_____

IF THE AMOUNT IN SECTION L COLUMN 2, LINE 33 IS GREATER THAN THE AMOUNT IN SECTION L COLUMN 1, LINE 33 THEN COMPLETE SUBSECTION 2 LINES 41 - 45 BELOW ONLY. (NOT 34-40)

SUBSECTION 2.

41. PREMIUM TAX FROM COLUMN 2, LINE 25 \$_____
42. FEES FROM COLUMN 2, LINE 28 \$_____
43. SUBTOTAL OF PREMIUM TAX AND FEES DUE (LINES 41 + 42) \$_____
44. LESS 2003 QUARTERLY PREPAYMENTS \$(_____)
- 2003 FORM AID AC EST-Q (record below)
45. **NET PAYMENT DUE** (lines 43-44) \$_____

2003 FORM AID AC EST-Q PREPAYMENTS

3/31/03	check #	\$
6/30/03	check #	\$
9/30/03	check #	\$

*****PAYMENTS AND REFUNDS*****

- 1 MAKE ONE CHECK PAYABLE TO THE STATE TREASURER OF THE STATE OF ARKANSAS AND ATTACH TO THIS FORM** (CHECKS FOR GROUPS ARE NOT ACCEPTABLE. PAYMENT MUST BE MADE FOR EACH INDIVIDUAL COMPANY.)
- 2 DO NOT TAKE ANY CREDITS FOR PRIOR YEAR OVERPAYMENTS.**
- 3 IF THE NET PAYMENT RESULTS IN A REFUND, DO NOT SEND A CHECK FOR THE FEES IN SECTION G.**
(THE AMOUNT OF THE NET PAYMENT INCLUDES THE FEES)
- 4 REFUNDS WILL BE SENT AFTER THE RETURN IS AUDITED.**

SCHEDULE IC-PT**LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE
ORGANIZATION SALARY ANNUAL OFFSET**

Each authorized life or accident and health insurer, including an HMO, may take an annual credit for non-commissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%: or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months in Arkansas for the wages to qualify.

The Company reports as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: _____
2. Amount of non-commissioned salaries and wages paid to individuals listed in item 1 above:
_____.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
 - a.
 - b.
 - c.

Attach additional sheets if necessary.

ATTACH THE FOLLOWING TO THIS FORM:

() ARKANSAS STATE BUSINESS PAGE 26

() SCHEDULE T

() SUPPORTING DOCUMENTATION FOR SECTION C (SEE INSTRUCTIONS)

() CHECK FOR THE NET PAYMENT DUE

AFFIDAVIT

State of _____ County of _____

Comes _____ and states on oath that he/she is the

_____ of _____
(Title) (Name of Company)

and that the foregoing statements are true and correct as shown by the records of said Company.

(ORIGINAL SIGNATURE OF OFFICER)

Subscribed and sworn to or affirmed before me, the undersigned Notary Public, on this the _____ day of _____, 20_____

My Commission Expires _____

NOTARY PUBLIC